



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0651	<input checked="" type="checkbox"/>	<b>Title:</b>	Increase age of compulsory school attendance to 17
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<b>Primary Sponsor:</b>	Cordier, Douglas	<b>Status:</b>	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$1,596,236	\$1,552,734	\$1,508,884
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>(\$1,596,236)</u>	<u>(\$1,552,734)</u>	<u>(\$1,508,884)</u>

**Description of fiscal impact:** HB 651 increases the age of compulsory school attendance from 16 to 17 years of age or completion of high school graduation requirements, whichever comes first. The fiscal impact will not begin until FY 2009 when the annual cost is estimated to be \$1.60 million.

### FISCAL ANALYSIS

#### Assumptions:

- HB 651 changes the age of compulsory school attendance from 16 to 17 years of age or the date of completion of high school graduation requirements, whichever comes earlier.
- In the 2005-2006 school year, 422 sophomores dropped out of school and did not return for their junior year. Of these 422 students, 110 are American Indian students.
- If all 422 of these students had remained in high school, the statewide average number belonging (ANB) would be 438 ANB higher.
- FY2008 ANB counts are derived from enrollments for the 2006-2007 school year. Therefore, HB 651 will have no effect upon ANB counts for FY 2008.

5. The average state contribution per ANB for high school general fund budgets is projected to be \$3,675 in FY 2009. This includes direct state aid and GTB.
6. The Indian Education for All payment is \$20.40 per ANB.
7. The American Indian Achievement Gap payment is \$200 per American Indian ANB.
8. Assuming an inflationary increase of 2.68% in FY 2010 for the basic and per-ANB entitlements followed by an increase of 2.28% in FY 2011 in the cost of the state share.
9. The following table reflects the school funding payments for each payment type affected by HB 651.

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
ANB	438	435	426	414	404	394
American Indian ANB	110	109	107	104	101	99
Percent ANB decrease	-1.18%	-0.64%	-1.97%	-2.78%	-2.44%	-2.37%
Percent Entitlement Increase				3.00%	2.68%	2.28%
State Share (DSA & GTB)				\$3,675	\$3,773	\$3,860
Indian Education for All payment per ANB				\$20.40	\$20.40	\$20.40
American Indian Achievement Gap payment per ANB				\$200	\$200	\$200
State Share (DSA & GTB)				\$1,521,450	\$1,524,490	\$1,520,653
Indian Education for All payment				\$8,446	\$8,242	\$8,038
American Indian Achievement Gap payment				\$20,800	\$20,200	\$19,800
<b>TOTALS</b>				<u>\$0</u>	<u>\$1,550,696</u>	<u>\$1,552,932</u>
					<u>\$1,548,491</u>	

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Distribution to Schools	\$0	\$1,550,696	\$1,552,932	\$1,548,491
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$1,550,696	\$1,552,932	\$1,548,491
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	(\$1,550,696)	(\$1,552,932)	(\$1,548,491)

**Effect on County or Other Local Revenues or Expenditures:**

HB 651 may have an impact of about \$.90 million for the local taxpayer share of the increased ANB.

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Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date